



STATE OF UTAH

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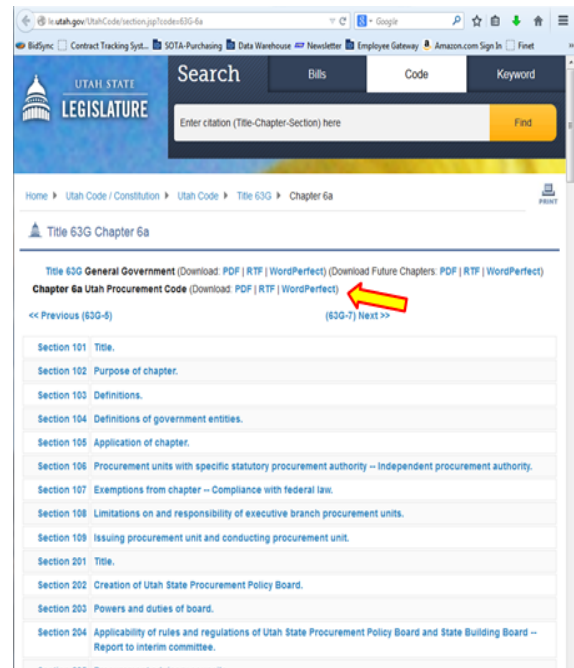
PURCHASING UPDATE

May 2014

PROCUREMENT CODE—LEGISLATIVE UPDATE

By Tara Eutsler

During the 2014 Legislative Session, SB179 made changes to many sections of the Utah Procurement Code. Updates to the Procurement Code from that bill and others have now been completed on the Legislative website. The Division of Purchasing highly recommends the reading of the Code by any individual whose primary job responsibility is purchasing. The Procurement Code is located at <http://le.utah.gov/UtahCode/section.jsp?code=63G-6a>. The page offers three downloadable versions of the entire code (see yellow arrow in JPG), or the user has the option of viewing one section at a time.



JUNE 2014 TRAINING OPPORTUNITY

On June 26, 2014, Kent Beers will teach the class, **Changes to the Procurement Code and Administrative Rules**. This class is for anyone who wants to understand what changes were made to the Code and the Rules. As with all purchasing classes, this class is geared for the executive branch procurement units but questions from other entities are welcome.

The June 26 training will be held in the

first floor Auditorium in the State Office Building. Registration is required. To register for the class, please fill out the form at [this link](https://docs.google.com/a/utah.gov/forms/d/17-F_2e5JIrZvTXawAuulsgZC2gxBlm6Eas-S6tNb2zA/viewform?usp=send_form) or copy and paste the URL into your web browser. (https://docs.google.com/a/utah.gov/forms/d/17-F_2e5JIrZvTXawAuulsgZC2gxBlm6Eas-S6tNb2zA/viewform?usp=send_form)

DELIVERY COSTS AND THE SMALL PURCHASES RULE

Delivery Costs and the Small Purchases Rule

The small purchase provision in the Procurement Code allows executive branch procurement units to make small procurements without having to obtain quotes. There are three thresholds in place to delineate what are small purchases. These thresholds are:

1. Individual procurement threshold - \$1,000
- The maximum amount that can be spent on a single procurement item;
2. Single procurement aggregate threshold - \$5,000 - The maximum amount that can be spent to obtain multiple procurement items from one source at one time;
3. Annual cumulative threshold - \$50,000 - The maximum amount that a procurement unit can expend with the same source in a fiscal year using the small purchase rule.

The question has been raised, "If I am procuring an item which costs \$990 and the delivery costs raises the cost of the item to \$1,015, can I buy the item under the small purchase rule?"

The answer depends on the standard billing practice of the vendor.

When delivery cost is not included in the price of the item but as a separate item, it is treated like another procurement item. In the question above the procurement item cost \$990. The vendor listed a delivery cost of \$25 as a separate procurement item on the invoice. Both the product and the delivery cost are less than the \$1,000 individual procurement threshold. The total purchase is less than the \$5,000 single procurement aggregate threshold. These items, including the product and the delivery, can be procured using the small purchase rule.

Vendors do not always list the delivery costs separately, but price their inventory to include

the delivery costs. If delivery cost is included in the price of the item, agencies may not request that the vendor split out the delivery cost in order to meet a threshold. This would be a violation of 63G-6a-408 (8) – (9) of the Utah Procurement Code. If a vendor tells you that the cost of the item is \$1,015 and does not list the delivery costs separately, then the procurement cannot be completed using the small purchases rule.

There are occasions when delivery cost will disqualify the procurement from being made using the small purchase rule. For example, an agency needs 5 items that cost \$950 each. Each item is below the \$1,000 which would allow them to be purchased using the small purchase rule. Their combine total of \$4,750 is under the single procurement aggregate threshold. However, the deliver cost, which is a procurement item, is \$275 which raises the grand total for the purchase of all procurement items to \$5,025. Since the total amount exceeds the single procurement aggregate, the procurement cannot be made using the small purchase rule. Quotes must be requested from at least two, but preferably three vendors for this purchase.

HOW TO: RQS—RQM YEAR-END INSTRUCTIONS

As year-end approaches, agencies need to be aware of the financial rules which guide the purchases for the State of Utah. It is important for agencies to be aware that goods or services must be paid for in the same year in which they are received. When goods and services are paid for in a different year than which they are delivered, the procurement is subject to audit findings.

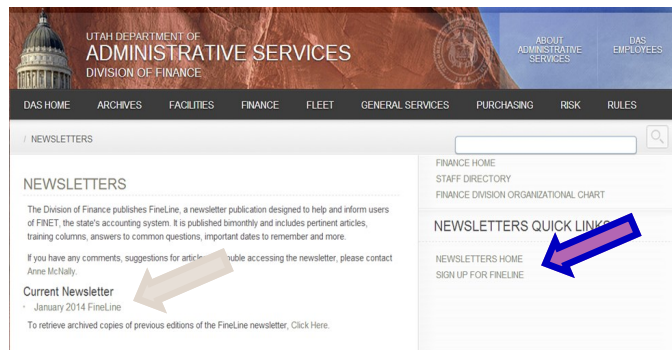
Before entering an RQS in FINET, the agency should determine if the product or service will be delivered or completed by June 30th. If the goods and services can be delivered prior to June 30, then the agency should use the FY14 numbering for the RQS. If the goods and services will be delivered after June 30, the agency should use FY15 numbering for the RQS.

An RQM becomes a contract so the fiscal year is not as vital. However, it is recommended that agencies begin using the FY15 Period 1 for RQMs when they know that the contract will not be in place until FY15. This will signal to the State Purchasing agent to use the FY15 numberings for the

solicitation. No later than June 15, every RQM should have the FY15 numbering.

Each year, State Finance sends out information about year-end activities in their newsletter, *FineLine*. If you do not receive their newsletter, you can sign up by going to their website at <http://finance.utah.gov/newslettershome.html> (see orange arrow in the screen shot). The January 2014 Newsletter contains an article called "Avoiding Audit Findings and Problems during Closeout." The blue arrow in the screen shot shows the link to Finance's January 2014 newsletter.

Any questions about FINET payments should be directed to the Division of Finance.



ATTENTION!!

UTAH LAW ENFORCEMENT BLOOD ALCOHOL COLLECTION KIT (PD902)

By Brenda Veldevere

Attention users of the contract PD902 please note, currently the plastic container that fits into the cardboard mailer for this kit item #10083 is unavailable. The Utah Health Lab Bureau Director, Gambrelli Layco, has approved a substitute blood alcohol collection kit item #10084. Lynn Peavey Company has begun

manufacturing this substitute kit at the same contract price and will have them available to ship to Utah Law Enforcement Agencies beginning May 23, 2014. If you have questions relative to this contract, please contact Brenda Veldevere at (801) 538-3142 or by email at bveldevere@utah.gov.

DID YOU KNOW?: PERSONAL CARE ITEMS FOR CORRECTIONAL TYPE FACILITIES

By Brenda Veldevere

The State of Utah has a contract with Bob Barker Company (PD319) for personal care items for correctional type facilities. There are over 185 personal care items available for purchase from this contract such as: hairbrushes, combs, lip balm, hair conditioners, denture care products, cotton swabs, deodorants, feminine hygiene products, foot powders, lotions, sunblock, razors, shampoos

(including lice control shampoos), styling gels, soaps, toothbrushes, tooth pastes, mouthwashes, fingernail and toe nail clippers (without files), shave cream, shower shoes, and much, much more.

If you have questions relative to this contract, please contact Brenda Veldevere at bveldevere@utah.gov or by phone at (801) 538-3142.



STATE OF UTAH

Division of Purchasing
3150 State Office
Building
Capitol Hill
Salt Lake City, UT

Phone: 801-538-3026
Fax: 801-538-3882

DID YOU KNOW?: NATURAL GAS CONTRACT

By Reed Taylor

Did you know that the Natural Gas Contract (PD851) was changed to an AR (AR851) contract which requires authorization from State Purchasing before the contract can be used. This contract requires State Purchasing to coordinate the nomination (ordering) of all gas used by an institution. Anyone wanting to use the contract would have their natural gas usage for

prior years evaluated to insure the usage was high enough to produce the desired savings.

If you have questions relative to the contract, please contact Reed Taylor at rtaylor@utah.gov or by phone at (801) 538-3709.

**We're on
the Web !**

purchasing.utah.gov

This newsletter was edited by Ann Schliep. If you have any questions or comments, please email them to aschliep@utah.gov

To automatically receive an email when the **Purchasing Update** is distributed, send a blank email (without your signature or a subject) to the following email address: subscribe-das-purchasing-newsletters@list.utah.gov

This email address is being protected from spambots. You need JavaScript enabled to view it. and you will be added to the list automatically. For Google Mail users you will need to open your email account, copy the email address above and paste it in the "To:" field.

These instructions are listed on the State Purchasing website at purchasing.utah.gov then choose BUYER INFORMATION followed by DIVISION NEWSLETTERS. The information is listed near the top of the window.

NEW STATE COOPERATIVE CONTRACTS

TITLE	CONTRACT	VENDOR	DATES	ADDITIONAL INFORMATION
Assistive Technology Products for the Blind	MA647	Digital Apex LLC	4/23/14 - 3/31/19	Multiple Award Contract
Assistive Technology Products for the Blind	MA648	Humanware	4/23/14 - 3/31/19	Multiple Award Contract
Assistive Technology Products for the Blind	MA650	Low Vision Rehabilitation Services, LLC	4/23/14 - 3/31/19	Multiple Award Contract
Assistive Technology Products for the Blind	MA651	School Health Corporation	4/23/14 - 3/31/19	Multiple Award Contract
Assistive Technology Products for the Blind	MA1538	Axis	4/23/14 - 3/31/19	Multiple Award Contract
Ground Maintenance Equipment (WSCA-NASPO)	MA641	Deere and Company	05/08/14 - 11/04/15	Multiple Award Contract
Ground Maintenance Equipment (WSCA-NASPO)	MA642	John Deere Construction	05/08/14 - 11/04/15	Multiple Award Contract

EXTENDED STATE COOPERATIVE CONTRACTS

TITLE	CONTRACT	VENDOR	EXTENDED UNTIL	ADDITIONAL INFORMATION
Wheelchair and Power Operated Vehicles	MA062	Aamco Medical LLC	06/30/2014	
Construction—Job Order Contracting	MA241	Okland Construction	05/01/2015	Multiple award contract
Construction—Job Order Contracting	MA244	A J Construction, Inc.	05/01/2015	Multiple award contract
Construction—Job Order Contracting	A24M5	C R C Construction, Inc.	05/01/2015	Multiple award contract

*The brief information in this newsletter is intended to highlight new contracts and contract changes. Always read the entire contract information sheet prior to making a purchasing decision.

EXTENDED STATE COOPERATIVE CONTRACTS

Construction—Job Order Contracting	A24M5	C R C Construction, Inc.	05/01/2015	Multiple award contract
Nissan Vehicles	AR164	Ken Garff Nissan	09/30/2016	
Wheelchairs and POV's	MA1317	Med Source Inc.	06/30/2014	Multiple award contract
Wide Format Copiers, Related Software, Consumable Supplies and Maintenance	AR924	Kip America Incorporated	03/31/2015	State Agencies must contact DTS before ordering
Salt Pumping Systems and Maintenance	PA1421	Stepsaver, Inc.	07/01/2016	
Data Communications Equipment & Associated OEM Maintenance & Training (WSCA)	AR233	Cisco Systems, Inc.	08/31/14	Multiple award contract
Standardized Equipment on Vehicles	AR1439	Premier Vehicle Installation	08/04/14	Multiple award contract

EXTENDED STATE COOPERATIVE CONTRACTS

TITLE	CONTRACT	VENDOR	EXTENDED UNTIL	ADDITIONAL INFORMATION
LCD and DLP Projectors	MA622	George Webb Sales Co Inc. dba Webb Audio Visual	06/18/14	Multiple award contract
LCD and DLP Projectors	MA784	Troxell Communications	06/18/14	Multiple award contract
LCD and DLP Projectors	MA795	TV Specialists Inc.	06/20/14	Multiple award contract

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EXTENDED STATE COOPERATIVE CONTRACTS

Light Emitting Diode (LED) Signal and Pedestrian Modules	MA825	Gades Sales	06/20/14	Multiple award contract
Light Emitting Diode (LED) Signal and Pedestrian Modules	MA828	Dialight Corporation	06/20/14	Multiple award contract
Reflective Sign Sheeting	MA085	Avery Dennison Corp	06/30/16	Multiple award contract
Medical, Hospital and Personal Care Items (MMCAP)	MA477	Cardinal Health 200, LLC	06/30/15	Multiple award contract
Dry Groceries	PD2010	Nicholas & Company	06/30/16	
Canned Foods	PD2011	Nicholas & Company	06/30/16	
Single Portion Food	PD2012	Nicholas & Company	06/30/16	
Uniwall Demountable Partition Systems	MA720	Chavez LLC	08/21/14	
Data Communications Equipment & Associated OEM maintenance & Training	AR1470	Enterasys Network Sales & Service, Inc.	08/31/14	This is a Multiple Award Contract
Data Communications Equipment & Associated OEM Maintenance & Training	AR1471	Extreme Networks, Inc.	08/31/14	This is a Multiple Award Contract
Detroit Diesel Engine & Allison Transmission Parts and Service	MA275	Freightliner of Utah dba Warner Truck Center	07/11/17	

EXPIRED OR CANCELED CONTRACTS

TITLE	CONTRACT	VENDOR	EXPIRATION DATE	ADDITIONAL INFORMATION
Background Screening and Verification Services (WSCA)	MA052	Sterling Infosystems Inc	04/25/2014	Will not be renewed.

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